

STATE OF ALABAMA)
COUNTY OF MONTGOMERY)

DRAFT LEASE AGREEMENT

THIS AGREEMENT, made and entered into as of the ____ day of _____, 2016, by and between the Alabama Department of Mental Health, hereinafter referred to as “Lessor”, and _____, hereinafter referred to as “Lessee”,

WITNESSETH:

1. The tract of land, hereinafter particularly described, is owned by the Alabama Department of Mental Health, and Lessor hereby lets and rents to Lessee, and Lessee hereby hires and takes from Lessor, for the term hereinafter provided, upon the covenants and conditions herein contained, such properties in Tuscaloosa County, Alabama, to wit:

Description

A tract of land located in Township 21S, Range 11W, the SE4 OF THE NW4 AND THE NE4 OF THE SW4 AND THE NW4 OF THE SE4 OF S11, Tuscaloosa County, Alabama, as shown on Lessor’s survey maps attached hereto and the legal description attached hereto, and made a part as Exhibit A containing 10 acres more or less.

2. The term of this lease shall commence _____, 2016, and shall end _____, 2021.

Lessor covenants and agrees that the Lessee, on paying the rent herein reserved, and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of the Lessee to be kept, observed and performed, shall during the term hereby granted, peaceably and quietly have, hold and enjoy the demised premises for the full term of years in this lease.

The leasehold premises are leased by Lessor and accepted by Lessee as business properties intended to be used for any legal business use; nevertheless, the Lessor makes no representation, warranty, or guarantee to the Lessee as to the suitability of the leased premises for any particular use. Further, Lessor makes no representation, warranty, or guarantee to the Lessee concerning the condition of the soil, fields, pastures, fences, railroad spur, railroad switches, railroad roadbed, or otherwise of the leased premises, or concerning any other conditions which may interfere with or limit the proposed use and enjoyment of the leased premises. Lessee acknowledges that _____she/he has been afforded an opportunity to inspect the leased premises and accepts the same in the condition in which _____she/he found it.

3. Lessee will pay Lessor as rent hereunder, at Alabama Department of Mental Health central office, now located at the RSA Union Building, 100 North Union Street, P.O. Box 301410, Montgomery, Alabama 36130-1410, or at such other place as Lessor may, from time to time, designate by notice to Lessee, the following:

The amount of _____ Dollars (\$) per month with each payment due the _____ day of each month beginning _____, 2016 for the First year of the lease agreement; then,

The amount of _____ Dollars (\$) per month with each payment due the _____ day of each month beginning _____, 20__ for the Second year of the lease agreement; then,

The amount of _____ Dollars (\$) per month with each payment due the _____ day of each month beginning _____, 20__ for the Third year of the lease agreement; then,

The amount of _____ Dollars (\$) per month with each payment due the _____ day of each month beginning _____, 20__ for the Fourth year of the lease agreement; then,

The amount of _____ Dollars (\$) per month with each payment due the _____ day of each month beginning _____, 20__ for the Fifth year of the lease agreement.

In addition to the rent payable under this section, Lessee shall pay and discharge properly as the same shall become due all taxes and assessments whether general or special of every kind which may be levied or assessed or become a lien on or against the demised premises or any part thereof. Such liability shall commence on the date of this instrument and shall terminate upon the termination of this instrument.

4. In the event of the failure of the Lessee to promptly pay the rental installments provided for herein or should Lessee commit any of those act specified in Code of Alabama 1975, Section 35-9-61(1), (2) and (3), or violates any of the other provisions of this Lease, and any such failure, default or violations shall continue and remain incurred for a period of ten (10) days after written demand by Lessor for correction and/or compliance, then Lessor shall have the right immediately and without further notice or demand to re-enter and take possession of the premises and at its option to declare all of the unpaid installments of rent whether then due, to be immediately due and payable and thereupon shall have the right to enforce its demand and claim for all of the unpaid rent by all remedies afforded to it by law for collection of said rent and all other amounts due. Under any such circumstances, Lessee covenants and agrees with Lessor that _____she/he will immediately upon demand surrender possession of said premises to

Lessor, vacating said premises and will recognize the Lessor's lien for all unpaid rental installments due or to become due and accelerated under the provisions of this Lease. Lessee agrees to maintain the premises in good order and to make periodic repairs thereon and to deliver the same at the expiration of this lease to the Lessor in good condition, fair wear and tear excepted.

5. During the term of this lease, Lessee shall maintain the demised premises in reasonably good condition. The Lessee shall maintain the Railroad Spur on the demised premises in good working order; including, but not limited to, the roadbed, ballast, ties, rails, bumpers, and switch(es). Lessee shall properly clean up any environmental hazards caused by Lessee, agents of Lessee, or licensees of Lessee from the demised premises; including, but not limited to, fuel spills and chemical spills, during the term of the lease using all reasonable diligence to protect the demised premises from such hazards. Lessee agrees to return said demised premises to the Lessor free from any environmental hazard caused by Lessee, agents of Lessee, or licensees of Lessee. Lessee shall clip the demised premises as occasion reasonably requires for the control of weeds thereon.

6. During the term of this lease, all ditches, culverts, and roads on the demised premises will be maintained in a reasonably good condition. All existing fences and gates on the demised premises shall, during the term of this lease, be maintained by Lessee in as good or better condition as exists at the time of the commencement of the term of this lease, with Lessee to provide all labor, posts, new wire and material reasonably required for maintenance of such fences.

However, prior to any major change or alteration being made by Lessee in any ditches, culverts, roads, fences or gates on the demised premises, Lessee will, by notice or request made of the Lessor hereunder, secure or obtain permission in writing consent therefrom.

7. All existing buildings and structures utilized by Lessee as part of the demised premises and located on the demised premises as of the date of the commencement of this lease, will be maintained by Lessee, during the term hereof, in a reasonably good state of repair, usual wear and tear and damages from acts of God excepted.

All improvements and betterments made or done to the demised premises by Lessee, during the term of this lease, shall be and become the property of the Lessor, as and when the same are made or done, but any removable or portable item of property, facility, or fixture brought on to the property so demised hereunder by Lessee during the term of this lease (and Lessee shall have such right and privilege of so bringing such on to the demised premises at any time during the period of this lease) shall be and remain

the property of the Lessee with the right and privilege inherent in it of removing the same from such premises at the expiration of the term of this lease, for any cause, or within ten (10) days thereafter.

Lessee will exercise reasonable diligence and efforts to keep all trespassers from the demised premises, to prevent the cutting of timber thereon, the commission of waste there against and the use of such premises for hauling or transportation of products, and as a passageway by unauthorized persons.

8. In the event that all or any part of the demised properties are taken by eminent domain or surrendered or conveyed to any unit of government, corporation or other entity possessing such right of eminent domain, under threat of such taking, Lessor and Lessee shall each be entitled to receive the damages or compensation attributable to their respective interests, and if such taking, surrender or conveyance renders the remaining properties unsuitable for the conduct of Lessee's business thereon as theretofore conducted, then it may, by notice to Lessor, thereupon cancel and terminate this lease. In any event, the rent upon and after such taking, surrender or conveyance shall be reduced in an amount determined by the amount bid per acre for the premises so taken, surrendered or conveyed.

9. Lessee covenants and agrees to assume all responsibility and liability and to defend and save Lessor harmless for loss or liability on account of Lessee's failure to conduct any business on the demised premises in compliance with any law, ordinance or regulation from time to time existing. Lessee further agrees to furnish proof of liability insurance on the demised premises in the amount of \$1M per occurrence/\$1M aggregate within 15 days of the signing of this lease agreement.

The Lessor shall not be liable for any loss, injury, death or damage to persons or property which at any time may be suffered or sustained by the Lessee or by any person who may at any time be using or occupying or visiting the demised premises or be in, on, or about the same, whether such loss, injury, death or damage shall be caused by or in any way result from or arise out of any act, omission or negligence of the Lessee or of any visitor or user of the premises. Lessee agrees to indemnify the Lessor against all claims, liability, loss or damage including attorneys' fees and costs whatsoever an account of any such loss, injury, death or damage. Lessee hereby waives any and all claims against the Lessor for damages to the buildings and improvements that are now on or hereinafter placed on the premises and to the property of the Lessee in, on or about such premises and to injuries to persons or property in or about the premises from any cause arising at any time during the term hereof.

10. Lessee further covenants and agrees not to sublet the demised properties, or any part thereof, or to assign this lease, or its rights or obligations hereunder, without the prior written consent of Lessor, but Lessor agrees not to withhold such consent unreasonably. Upon the termination of this lease, Lessee agrees to surrender the demised premises in as good condition as the same presently exist, except for changes and alterations made by Lessee pursuant to authority herein granted, and except for ordinary wear and tear to the same arising from and out of the course of the business and businesses which Lessee conducts thereupon.

11. Lessee will permit and allow Lessor and its agents, at all reasonable times, to enter upon the demised premises and properties to view and inspect the condition of the same.

12. No act or acts, omission or omissions, or series of acts or omissions, or waiver or acquiescence or forgiveness by either party, Lessor or Lessee, of any default in or failure of performance, either in whole or part, by the other party as to the terms or conditions of this lease, shall be deemed or construed to be a waiver by such party of the right at all times to insist upon the full and complete performance by the other party of each and all the covenants, terms, provisions and conditions hereof thereafter to be performed, according to the provisions of this lease in the same manner and to the same extent as such are herein covenanted to be performed by such other party.

13. In the event either party hereto fails to commence to perform any of the covenants herein required of it within a reasonable time after notice of default, or commencing, fails to continue diligently to complete performance, then the other party may, if it so elects, perform such covenants on behalf of such defaulting party, who shall then reimburse such other party for the actual and reasonable cost thereof, which should have been assumed and paid by such defaulting party. Either party may, but need not, set off against any money from time to time otherwise owed by it to the other party, any money owed by such other party to it or them.

14. In the event that either party fails to perform or abide by any covenant herein required of it within fifteen (15) days after notice of its default is given to it by the other party, then such other party may, by notice to the defaulting party, elect to cancel and terminate this lease, but without prejudice to any right of action in respect to the breach of any covenants herein contained.

15. The notices provided to be given hereunder by the parties hereto shall be in writing, each to the other, either by United States mail, certified, return receipt requested, and directed to Lessor, Land Manager, Department of Mental Health, RSA Union

Building, 100 North Union Street, P.O. Box 301410, Montgomery, Alabama 36130-1410 and to Lessee, _____, or to such other place as each of the parties hereto may designate to the other by notice, or by delivery of such notice personally to the Lessor, or by delivery of such personally to the party signing this notice on behalf of the Lessee.

16. Whenever any question or matter of dispute arises, such issue should be forwarded in writing to the Commissioner of the Department of Mental Health for a determination of how said matter should be resolved.

17. This lease agreement shall inure to the benefit of and be binding upon the respective heirs, devices, personal representatives, successors and assigns of the parties hereto, as the case may be.

18. No hunting shall be permitted on the premises leased herein. No timber shall be cut on the premises without expressed written permission from Lessor.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals, on the day and year first above written.

LESSEE:

By: _____

By: _____

DMH Legal Counsel
DMH Approval as to Legal Form, laws,
rules and regulations of the State of Alabama

LESSOR:

ALABAMA DEPARTMENT OF MENTAL
HEALTH

By: _____
James V. Perdue, Commissioner

APPROVED:

Robert Bentley, Governor